

Message Text

UNCLASSIFIED

PAGE 01 LONDON 14835 01 OF 02 150147Z
ACTION EUR-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-02 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-20 OES-09
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 PA-02 /142 W
-----034568 150220Z /14

R 141306Z SEP 78
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 9985
USMISSION USNATO
AMEMBASSY BRUSSELS
AMEMBASSY STOCKHOLM
AMEMBASSY MOSCOW
AMEMBASSY PARIS

UNCLAS SECTION 01 OF 02 LONDON 14835

USEC

USOECD

EO 11652: NA
TAGS: ENRG, UR
SUBJ: FINANCIAL TIMES ARTICLE ON SOVIET OIL EXPORTS

13 SEPT FINANCIAL TIMES ARTICLE BY WILLIAM DULLFORCE
(DATELINED STOCKHOLM SEPTEMBER 12) REPORTS THAT A
SWEDISH STUDY SAYS THE SOVIET UNION IS POISED TO TRIPLE
ITS OIL EXPORTS TO THE WEST BY 1985. FOLLOWING IS FULL
FT TEXT:

QUOTE THE SOVIET UNION IS POISED TO TRIPLE ITS OIL
EXPORTS TO THE WEST BY 1985 AND TO OFFER MUCH TOUGHER
COMPETITION TO WESTERN REFINERIES, ALREADY SUFFERING
FROM THE RECESSION.

THIS IS THE MAIN CONCLUSION OF A REPORT BY PETROSTUDIES,
AN OIL CONSULTING AGENCY BASED IN MALMO, SOUTHERN SWEDEN
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 14835 01 OF 02 150147Z

WHICH SPECIALIZES IN ANALYSING THE SOVIET OIL AND GAS
INDUSTRIES.

THE REPORT CONTRADICTS TWO WIDELY-PUBLICIZED STUDIES BY
THE US CENTRAL INTELLIGENCE AGENCY PREDICTING A SHARP
DECLINE IN SOVIET OIL PRODUCTION, WHICH WOULD FORCE THE
USSR TO BECOME A NET IMPORTER OF OPEC OIL BY 1985.

PETROSTUDIES SAYS THE RUSSIANS 'HAVE AN EXPLICIT POLICY TO INCREASE THEIR EXPORTS OF REFINED OIL PRODUCTS...FOR THIS PURPOSE THEY ARE CONSTRUCTING AND PLANNING A SERIES OF EXPORT REFINERIES IN THEIR BORDER REGIONS.'

IT HAS BEEN ASSUMED IN THE WEST THAT THESE REFINERIES WOULD SERVE THE GROWING DOMESTIC MARKET. BUT PETROSTUDIES CLAIMS TO HAVE FOUND 'EXPLICIT SOVIET POLICY STATEMENTS' THAT THESE REFINERIES WILL SERVE EXPORT MARKETS.

MR. M. JERMOL, CO-AUTHOR OF THE REPORT, TOLD THE FINANCIAL TIMES TODAY THAT PETROSTUDIES WORKED FROM 'OPEN SOVIET DOCUMENTS.' THE RUSSIANS HAD BEEN PREPARING A 'GRAND PLAN' FOR OIL PRODUCTION AND EXPORTS.

THE PREPARATIONS HAD BEEN REFLECTED ONLY IN A VERY TECHNICAL DEBATE INSIDE THE SOVIET OIL INDUSTRY AND BY NEW RULES AND NORMS PASSED BY THE GOVERNMENT BUT NOT REPORTED SO FAR IN THE SOVIET PRESS.

'WE QUOTE OUR SOURCES. THE CIA DOES NOT QUOTE ANY SOURCES,' MR. JERMOL SAID.

PETROSTUDIES BELIEVES SOVIET OIL EXPORTS TO THE WEST COULD REACH 185M TONS BY 1985. THE BULK WOULD GO TO UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LONDON 14835 01 OF 02 150147Z

WESTERN EUROPE, WHERE THE RUSSIANS 'COULD CAPTURE NEARLY A QUARTER OF THE 1985 MARKET FOR CRUDE AND REFINED PRODUCTS,' COMPARED WITH A SHARE OF 9.7 PER CENT IN L977.

OVER THE PAST FOUR YEARS THE RUSSIANS HAD PENETRATED

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 LONDON 14835 02 OF 02 150147Z
ACTION EUR-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-02 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-20 OES-09
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 PA-02 /142 W
-----034551 150219Z /14

R 141306Z SEP 78
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 9986
USMISSION USNATO
AMEMBASSY BRUSSELS
AMEMBASSY STOCKHOLM
AMEMBASSY MOSCOW
AMEMBASSY PARIS

UNCLAS SECTION 02 OF 02 LONDON 14835

THE WESTERN EUROPEAN MARKET FOR REFINED OIL PRODUCTS,
ACHIEVING A VOLUME-SHARE OF 16.5 PERCENT LAST YEAR.
THEIR STATED POLICY WAS TO INCREASE REFINED EXPORTS AND
PHASE DOWN CRUDE OIL EXPORTS.

THE MOST SURPRISING FINDING OF THE SWEDISH AGENCY IS
THAT THE RUSSIANS ARE NOT PRODUCING THEIR OILFIELDS AT
MAXIMUM CAPACITY. SOME OF THE GIANT FIELDS IN WESTERN
SIBERIA WERE BEING SYSTEMATICALLY UNDERPRODUCED UP TO
30 PERCENT BELOW THEIR POSSIBLE OUTPUT RATES.

THUS, A HIDDEN POTENTIAL ALREADY EXISTED FOR DOUBLING
SOVIET CRUDE OIL OUTPUT BY 1990. THE EXISTING POTENTIAL
FOR BOOSTING EXPORTS TO THE WEST COULD RAISE SOVIET OIL
EARNINGS IN HARD CURRENCIES TO ABOUT \$20BN IN 1985, COM-
PARED WITH \$6.4BN IN 1977, PETROSTUDIES CALCULATES.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 14835 02 OF 02 150147Z

THE AGENCY SPECIFICALLY REFUTES A CIA CONTENTION THAT
THE LEADING SOVIET OILFIELD, SAMOTLOR, WHICH PROVIDED A
QUARTER OF TOTAL SOVIET OUTPUT LAST YEAR, WAS EXPERIENC-
ING RAPID WATER INCURSION.
THE CIA HAD USED A COMPLETELY WRONG FIGURE, CONFUSING
SAMOTLOR WITH THE ROMASHKINO OILFIELD IN THE EUROPEAN
USSR, ACCORDING TO PETROSTUDIES.

'SAMOTLOR IS GEARED TO EXHAUST ONLY A THIRD OF ITS
RESERVES BY 1981 AND TO SPEAK OF THIS GIANT FIELD AS IF
IT WAS A SICK, OLD VETERAN READY FOR A FUNERAL IS PURE
NONSENSE,' MR. JERMOL SAID. UNQUOTE

BREWSTER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, EXPORTS, PRESS COMMENTS, TEXT
Control Number: n/a
Copy: SINGLE
Draft Date: 14 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978LONDON14835
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780375-0146
Format: TEL
From: LONDON USOECD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780967/aaaacdcj.tel
Line Count: 171
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1c172250-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1434898
Secure: OPEN
Status: NATIVE
Subject: FINANCIAL TIMES ARTICLE ON SOVIET OIL EXPORTS 13 SEPT FINANCIAL TIMES ARTICLE BY WILLIAM DULLFORCE (DATELINED STOCKHOLM SEPTEMBER 12) REPORTS THAT A
TAGS: ENRG, UR, FINANCIAL TIMES
To: STATE USNATO
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/1c172250-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014